

106TH CONGRESS
2D SESSION

H. R. 4535

To amend the Consolidated Farm and Rural Development Act to improve the agricultural credit programs of the Department of Agriculture, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2000

Mrs. CLAYTON introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Consolidated Farm and Rural Development Act to improve the agricultural credit programs of the Department of Agriculture, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safe and Fair Farm
5 Aid Bill”.

6 **SEC. 2. DEFINITION OF DEBT FORGIVENESS.**

7 Section 343(a)(12)(B) of the Consolidated Farm and
8 Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is
9 amended to read as follows:

1 “(B) EXCEPTIONS.—The term ‘debt for-
2 giveness’ does not include—

3 “(i) consolidation, rescheduling, re-
4 amortization, or deferral of a loan;

5 “(ii) a write-down during the lifetime
6 of the borrower that is due to a financial
7 problem of the borrower relating to a nat-
8 ural disaster in the United States found by
9 the Secretary or a major disaster or emer-
10 gency designated by the President under
11 the Disaster Relief and Emergency Assist-
12 ance Act, or a medical condition of the
13 borrower which incapacitates the borrower
14 or which is a chronic disease of the bor-
15 rower or an immediate family member of
16 the borrower (or, in the case of a borrower
17 that is an entity, a principal owner of the
18 borrower or an immediate family member
19 of such an owner), as certified by a physi-
20 cian; or

21 “(iii) any write-down provided as a
22 part of a resolution of a discrimination
23 complaint against the Secretary.”.

1 **SEC. 3. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR**
 2 **DEBT FORGIVENESS.**

3 Section 373(b) of the Consolidated Farm and Rural
 4 Development Act (7 U.S.C. 2008h(b)) is amended to read
 5 as follows:

6 “(b) LOANS PROHIBITED FOR CERTAIN BORROWERS
 7 WHO HAVE RECEIVED DEBT FORGIVENESS.—

8 “(1) IN GENERAL.—Except as provided in para-
 9 graph (2), the Secretary may not make or guarantee
 10 a loan under subtitle A or B to a borrower who, on
 11 more than 2 occasions, received debt forgiveness on
 12 a loan made or guaranteed under this title.

13 “(2) EXCEPTIONS.—The Secretary may make a
 14 direct or guaranteed farm operating loan for paying
 15 annual farm or ranch operating expenses of a bor-
 16 rower who—

17 “(A) was restructured with a write-down
 18 under section 353; or

19 “(B) is current on payments under a con-
 20 firmed reorganization plan under chapter 11,
 21 12, or 13 of title 11, United States Code.”.

22 **SEC. 4. MARGIN REQUIREMENTS.**

23 (a) ELIGIBILITY FOR FARMER PROGRAM LOAN
 24 GUARANTEES.—Section 339(b)(3) of the Consolidated
 25 Farm and Rural Development Act (7 U.S.C. 1989(b)(3))
 26 is amended by striking “, including expenses of replacing

1 capital items (determined after taking into account depre-
 2 ciation of the items)”; and

3 (b) RESTRUCTURED LOAN VALUATION DETERMINA-
 4 TIONS.—Section 353(c)(3)(C) of such Act (7 U.S.C.
 5 2001(c)(3)(C)) is amended by striking “100 percent” and
 6 inserting “110 percent”.

7 **SEC. 5. POOLING OF CERTAIN FUNDS FOR SOCIALLY DIS-**
 8 **ADVANTAGED FARMERS AND RANCHERS.**

9 Section 355(c)(2) of the Consolidated Farm and
 10 Rural Development Act (7 U.S.C. 2003(c)(2)) is amended
 11 to read as follows:

12 “(2) RESERVATION AND DISTRIBUTION.—At
 13 the beginning of each fiscal year, the Secretary shall
 14 reserve the proportion of each State’s loan funds
 15 made available under subtitle B for the fiscal year
 16 equal to the State’s target participation rate, pool
 17 the total so derived, and, throughout the year, dis-
 18 tribute the total amount so derived on a county-by-
 19 county basis, and on an as-needed basis, for use by
 20 socially disadvantaged farmers and ranchers
 21 throughout the United States.”.

1 **SEC. 6. EXCEPTION TO TERM LIMITS ON OPERATING**
2 **LOANS ONLY FOR DISASTERS OR EMER-**
3 **GENCIES.**

4 (a) DIRECT OPERATING LOANS.—Section 311(c) of
5 the Consolidated Farm and Rural Development Act (7
6 U.S.C. 1941(c)) is amended—

7 (1) in paragraph (1)—

8 (A) by striking “Subject to paragraph (3),
9 the” and inserting “The”;

10 (B) in subparagraph (B), by striking “or”;

11 (C) in subparagraph (C), by striking the
12 period and inserting “; or”; and

13 (D) by adding at the end the following:

14 “(D) is operating in an area which, during
15 the previous or current crop year—

16 “(i) the Secretary finds has been af-
17 fected by a natural disaster in the United
18 States or by a major disaster or emergency
19 designated by the President under the Dis-
20 aster Relief and Emergency Assistance
21 Act; or

22 “(ii) has suffered from an economic
23 emergency, affecting 2 or more States, due
24 to unusually severe drought, extreme plant
25 disease which causes significant crop loss,

1 or severe flooding, as determined by the
 2 Secretary.”; and

3 (2) by striking paragraph (3).

4 (b) GUARANTEED OPERATING LOANS.—Section
 5 319(b)(2) of such Act (7 U.S.C. 1949(b)(2)) is amended
 6 to read as follows:

7 “(2) DISASTERS AND EMERGENCIES.—A farmer
 8 or rancher shall be eligible to receive a guaranteed
 9 operating loan under this subtitle if the borrower is
 10 operating in an area which, during the preceding or
 11 current crop year—

12 “(A) the Secretary finds has been affected
 13 by a natural disaster in the United States or by
 14 a major disaster or emergency designated by
 15 the President under the Disaster Relief and
 16 Emergency Assistance Act; or

17 “(B) has suffered from an economic emer-
 18 gency, as determined by the Secretary.”.

19 **SEC. 7. PERCENTAGE OF RECAPTURE FOR SHARED APPRE-**
 20 **CIATION ARRANGEMENT.**

21 (a) IN GENERAL.—Section 353(e)(3) of the Consoli-
 22 dated Farm and Rural Development Act (7 U.S.C.
 23 2001(e)(3)) is amended by striking “, and 50” and insert-
 24 ing “, 50 percent if the recapture occurs after 4 years
 25 and within 8 years after the restructuring, and 35”.

1 (b) APPLICABILITY.—The amendment made by sub-
2 section (a) shall apply to shared appreciation arrange-
3 ments with respect to which recapture has not occurred,
4 regardless of whether the arrangements were entered into
5 before, on, or after the date of the enactment of this Act.

6 **SEC. 8. TECHNICAL CORRECTION.**

7 Section 353 of the Consolidated Farm and Rural De-
8 velopment Act (7 U.S.C. 2001) is amended—

9 (1) by striking subsection (m); and

10 (2) by redesignating subsections (n) and (o) as

11 subsections (m) and (n), respectively.

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